

increases as rapidly as possible." Under the *Export Credits Insurance Act* of 1944, Canada eventually advanced more than \$500 million, nearly half of which went to France. The other principal beneficiaries were the Netherlands (\$118.9 million), Belgium (\$68 million), and China (\$51 million), with smaller sums for Norway, Indonesia, Czechoslovakia, and the Soviet Union. In fact, a much larger loan to the Soviet Union had been contemplated near the end of the war, but negotiations floundered on non-financial stipulations.¹⁴ Most of the drawings under the *Export Credits Insurance Act* took place in 1946 and 1947, when European needs for food and other agricultural products were especially acute.¹⁵

However, the greatest single measure by Canada to nurture reconstruction and to underwrite its exports was the \$1.25 billion loan to Britain in early 1946. That extraordinary act underlined the significance of international trade for Canadian prosperity and especially the importance to Canada of the British market. "It is not in any sense an act of charity," the minister of finance, J.L. Ilsley, told the House of Commons. "It is an investment in the future of Canadian trade."¹⁶ In fact, the loan was a remarkable wager on British economic recovery and on Britain's commitment and capacity to trade with Canada. In its terms and provisions, it followed precisely the precedent set by the negotiation of the American loan of \$3.75 billion to the United Kingdom.¹⁷ Not only was the Canadian loan exceptional in proportion to the American example, but also the allocation, especially when added to the other credits, was a huge expenditure in relation to the size of Canada's economy.¹⁸ Ilsley justifiably depicted the *United Kingdom Financial Act* of 1946 as "the keystone in the financial measures" undertaken by Canada "for international trade and reconstruction."¹⁹

The vital importance of the British market to Canada's postwar trade was highlighted as well by a series of long-term contracts to supply the United Kingdom with food and raw materials. Once again, this continued a practice developed during the war. Without alternative sources of supply, the British government had been anxious to secure essential requirements from Canada, so much so that imports of Canadian foodstuffs in wartime and after soared well above former peaks. Controls by the Wartime Prices and Trade Board and by government departments on domestic production, civilian consumption, and exports combined to ensure Canadian agricultural and other supplies for Britain's needs. "During 1944," F.H. Soward has observed, "Canada was responsible for 10 per cent of the United Kingdom egg supply, 25 per cent of its cheese, 35